

BEFORE THE IDAHO BOARD OF TAX APPEALS

KEVIN MOORE,)	
)	
Appellant,)	APPEAL NO. 15-A-1118
)	
v.)	FINAL DECISION
)	AND ORDER
BONNER COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Bonner County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. RP54N03W121649A. The appeal concerns the 2015 tax year.

This matter came on for hearing October 7, 2015 in Sandpoint, Idaho before Board Member David Kinghorn. Appellant Kevin Moore was self-represented. Al Ribeiro represented Respondent.

Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision.

The issue on appeal concerns the market value of an improved residential property.

The decision of the Bonner County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$30,724, and the combined improvements' value is \$59,400, totaling \$90,124. Appellant is seeking to have subject condemned .

The subject property is a three (3) acre residential parcel improved with a residence consisting of 672 total finished square feet built in 2007. Other improvements include an outbuilding valued at \$1,850. Subject is located on the corner of Highway 95 and Blacktail

Road in Careywood, Idaho.

Appellant explained subject faces issues with water quality, soil conservation, and major flooding which have not been rectified or acknowledged. Appellant explained because of reoccurring unnatural water accumulation from a nearby culvert, subject faces a detriment which other properties in the surrounding area do not. It was explained because of a manmade dike subject frequently floods. Due to these water events, Appellant suggested condemnation or regulatory taking.

Respondent explained subject's residence was considered low quality and in average condition for its age and condition. The residence was valued at \$57,550 or \$86 per square foot. Respondent offered information concerning two (2) 2014 sales within close proximity of subject. Sale No. 1 was a 1,920 square foot residence built in 2006 which sold for \$74 per square foot. The second sale involved a 300 square foot residence built in 2000 which sold for \$51 per square foot. Both sales were said to be the same quality of construction and condition as subject.

The subject parcel was valued at \$17,724 for the entire three (3) acres, plus \$13,000 for onsite improvements. Respondent noted the parcel was granted a 40% downward adjustment for the influence of the highway and associated noise, and another 41% downward adjustment for flooding was applied. Respondent reported three (3) sales in subject's area to compare with subject's land value. Sale No. 1 was a 5-acre improved property located 1.99 miles distant from subject. After extracting the improvement values, a residual land value of \$66,640 was concluded. Sale No. 2 was a 4.8 acre improved

parcel located approximately 2.8 miles southeast of subject. The residual land value was \$32,810. Sale No. 3 was a vacant 10-acre parcel which sold for \$88,000. This land sale was located 2 miles from subject.

Lastly, Appellant explained the culvert and water flow issues were previously brought before Respondent's attention. Respondent explained "the county hired an outside engineer who determined the culvert was sufficient to handle the water during high flow conditions." Therefore, after adjustments for subject's detriments, Respondent determined the assessed value of \$90,124 to be an accurate representation of market value.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2015 in this case. Market value is defined in Idaho Code § 63-201, as,

"Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Market value is estimated according to recognized appraisal methods and techniques. The three (3) primary methods of determining market value include the cost approach, the income approach, and the sales comparison approach. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach is most commonly used to value residential property.

Appellant discussed the flooding issues subject is plagued with and sought to have the property condemned. While we understand Appellant's concerns related to the culvert and flooding, this Board has no jurisdiction over such matters. As our authority applies to the assessment of subject, the Board is restricted in its review as to whether the market value determined by Respondent is proper.

Respondent provided information concerning two (2) residential sales which occurred during 2014. From the limited details provided, the sale residences were not comparable in size, however did bracket with subject in terms of construction quality and age. Sale prices were \$74 and \$51 per square foot, after removing associated land values. Subject's residence is assessed at \$86 per square foot. Although typically these sales would not provide the best comparison to subject because of the size differences, they are the only market evidence related to subject's improvement valuation. Further, Appellant did not suggest an alternate value conclusion for subject, but instead asked for a condemnation.

Respondent presented three (3) nearby sales to support subject's land valuation. Sale prices were between \$32,810 and \$88,000. Respondent noted subject had defects

and therefore granted two (2) downward adjustments. A 40% downward adjustment was for the influence of the highway and associated noise and another 41% downward adjustment was applied for the flooding. After the adjustments, Respondent calculated a land value residual of \$17,724. Without further market evidence, the Board does not find where additional adjustments can be supported.

Per Idaho Code § 63-511, Appellant bears the burden of proving error in subject's valuation by a preponderance of the evidence. The Board did not find the burden of proof satisfied in this particular case. While subject does suffer from flooding, Respondent has made downward adjustments to the land value to accommodate for such issues. In all, the sales information presented by Respondent supported the assessment as it stands. The decision of the Bonner County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bonner County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 9th day of February, 2016.